



THE POWER OF PURPOSE

2022 Corporate Responsibility Report



At NCCI, we know our impact on society is a significant reflection of our company values, and we strive to positively influence our industry, community, and beyond.

You'll see from our 2022 Corporate Responsibility report that we've undertaken many actions that support a sustainable future. We're proud of the strides we've made towards reducing our environmental footprint, promoting inclusion and diversity, maintaining strong corporate governance, supporting our neighbors in need, and more.

However, we know there is always more work to be done, and we remain committed to making further progress and impact. We understand it is essential to have a long-term perspective and a thoughtful yet proactive approach.

I'd like to thank our employees and community partners for their support and dedication to NCCI's commitment to being a strong corporate citizen.

The power of purpose is rooted in collaboration. Together, we can leave the world a better place for generations to come.

A handwritten signature in black ink that reads "Bill Donnell". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Bill Donnell
President and CEO

NCCI exists to serve the workers compensation industry as a licensed rating, advisory, and statistical organization. We are the nation's most comprehensive source of workers compensation data, insights, and solutions. As an industry leader and The Source You Trust, NCCI's mission is to foster a healthy workers compensation system. This mission extends to creating the most value for our stakeholders and communities, and creating an environment for our employees that embraces respect, integrity, inclusion, and diversity.

In our first annual Corporate Responsibility report, we apply the Sustainability Accounting Standards Board (SASB) standards where applicable, under the categories of Insurance and Professional & Commercial Services. The SASB standards provide comprehensive and industry-specific guidelines for organizational sustainability reporting.

ENVIRONMENTAL



NCCI identifies environmental risks and opportunities in an ongoing effort as we strive to utilize natural resources responsibly. Our practices and outcomes related to our environmental impact encompass a variety of areas, including energy efficiency, greenhouse gas emissions, and waste reduction.

Building Efficiencies

NCCI maintains its headquarters building with numerous efficiencies and practices that promote environmental responsibility.

High-Performance Roof Coating

The building's roof is treated with a high-performance roof coating that provides enhanced insulation, sunlight reflection, heat load reduction, and moisture resistance. Environmental benefits include significant improvement to the building's energy efficiency and a reduction in heating and cooling output.

LED Lighting Upgrades

LED lighting is utilized throughout the building, resulting in improved energy efficiency and reduced electricity consumption. Additionally, all office areas have been upgraded to T5 lamps, which are more energy-efficient than traditional fluorescent lamps.

Data Center Cooling Plant

The building's Data Center cooling plant is designed for high energy efficiency as well as "n+1" redundancy. The cooling towers, heat exchangers, pumps and controls are duplicated to be completely redundant. Variable Frequency Drives (VFDs) have been implemented to control all pumps and cooling tower fan speeds, which results in energy savings.



Water Refilling Stations

Water refilling stations were installed in the building to promote sustainable practices and reduce plastic waste. As a result, the building eliminated 254,250 bottles from 2018 to 2022. The water refilling stations provide a convenient and sustainable alternative to single-use plastic bottles.

Electric Car Chargers and Hybrid/Electric Vehicle Parking

NCCI installed four electric car charging stations at our NCCI headquarters building to encourage use of electric vehicles. Electric vehicles reduce fossil fuel emissions to the environment and may help decrease environmental resource consumption.

ENVIRONMENTAL *(continued)*



Environmental Footprint

NCCI implements business practices that minimize our environmental footprint to promote a more sustainable future.

Business Air Travel

In 2019 NCCI's carbon (CO₂) emissions from business-related air travel was approximately 855.5 thousand pounds. Emissions in 2020 and 2021 were negligible as a result of travel restrictions. In 2022, as travel restrictions eased, NCCI's business-related air travel was reduced to approximately 395.5 thousand pounds, equating to a nearly 54% reduction in CO₂ emissions from pre-pandemic levels.



Telecommuting and Hybrid/ Remote Work Environment

NCCI's work model, Flex@NCCI, enables employees to work virtually, in person, or in a hybrid structure. Daily commuting can be a contributing factor to greenhouse gas and fossil fuel emissions. By lessening the number of employees on the road, we are minimizing our carbon footprint.



Reduced Printing

The quantity of printers has been reduced throughout our office and all printing requests are configured to automatically print double-sided. Additionally, NCCI maximizes the use of cloud and digital files. These efforts result in less paper use, which can help diminish the amount of paper waste sent to landfills and the number of trees used for paper.



Eco-friendly Cafeteria Products

Our on-site cafeteria has transitioned to using more eco-friendly materials to help decrease the amount of plastic waste generated. Plastic waste can contribute to pollution and endanger marine life.

SOCIAL

Our social practices, policies, and objectives are aligned with our commitment to corporate citizenship. Understanding the impact of our actions on our employees, community, and the world is essential to the planning and execution of activities related to inclusion and diversity, community engagement, and more.

Inclusion and Diversity (I&D)

We're committed to fostering an inclusive and diverse workplace, recognizing that our differences make us a more resilient organization that best serves our employees, stakeholders, and our community.

I&D Framework **(SASB SV-PS-330a.3)**

NCCI employs a three-pronged I&D framework centering on our company, community, and industry. These focus areas have been identified for achieving our objectives and furthering our priority of demonstrating social responsibility.

- Our company focus includes our talent programs and practices, which aim to incorporate a lens of inclusion and diversity throughout the employee experience. Employee training and education

opportunities also serve as integral elements of our I&D strategy.

- We recognize that our role in advancing education equity is a crucial responsibility. We partner with local organizations dedicated to this cause as we work to enhance access to valuable educational resources for those who are underrepresented in our community.
- Our industry-specific area of focus continues to evolve as our I&D framework advances.

Employee Resource Group (ERG)

In 2022, NCCI established its first-ever Employee Resource Group, Together as One (TAO). Consisting of nearly 90 participants, TAO was developed by NCCI employees to foster an environment of inclusion and diversity within the organization

and in the insurance industry overall. The group holds monthly meetings and coordinates events that provide development and

networking opportunities and offers education and information on diverse experiences and perspectives.

I&D COMMUNITY IMPACT

Math Motivators

- Provides volunteer math tutoring to underserved middle and high school students
- 20 NCCI employees have volunteered more than 200 hours in support of this program

Historically Black Colleges and Universities (HBCUs) Partnership

- Provides internship opportunities in our Customer Operations Division
- Collaborated with three Florida-based HBCUs in 2021 and 2022

Women in STEM (WINS) Program

- NCCI female employees established a WINS program to engage young girls in the STEM field
- 12 WINS sessions delivered at the Milagro Center in Delray Beach, FL

Supporting the Education Foundation of Palm Beach County
NCCI supports three of the organization's initiatives:

Digital Inclusion Program

- Provides Wi-Fi extenders to ensure school children have access to Wi-Fi
- Since 2021, NCCI volunteers have configured 2,400 Wi-Fi extenders

Red Apple Supplies

- Provides free school supplies to local teachers in Title 1 schools. In 2022, NCCI hosted the Red Apple Supplies to support 253 teachers in 35 Title 1 schools across Palm Beach County.
- 96% of teachers reported that shopping at NCCI's Red Apple Store helped them improve overall teacher quality. And 92% said having the right supplies helped them engage students in learning

Backpack Program

- Provides backpacks filled with school supplies to Palm Beach County Title 1 schools
- In 2022, 30 NCCI volunteers filled over 1,300 backpacks with supplies, supporting 2 schools

SOCIAL *(continued)*

Our People

Our employees are our most valuable asset, and we believe a healthy and engaged workforce is essential to our success. We strive to recruit top talent in a dynamic and competitive market. We're proud to be a Best-In-Class Employer.*



Healthy and Safe Workplace

NCCI offers various programs, initiatives, and prevention screenings to support employee health and well-being and to ensure a safe workplace and environment.

Inclusive Employee Benefits

We offer a wide range of employee benefits including those that provide infertility support, adoption assistance, family time off, and a variety of benefits for domestic partners and dependents.

Charitable Giving

Our philanthropic activities support organizations that align with our mission and values. We believe that charitable giving is an essential component of being a socially responsible organization.

NCCI Cares

Our hallmark charitable program, NCCI Cares, encompasses financial giving, volunteerism, in-kind donations, sponsorships, employee matching, and more. We also provide up to 40 hours of paid time off to employees to use for volunteer activities annually. Our Acts of Kindness program encourages employees to take a

personal approach to supporting their neighbors and communities.

In 2022, through NCCI Cares, 220 employees used Volunteer Time Off. Our employees donated 1,887 in volunteer hours throughout our communities. View a full overview of our [NCCI Cares program](#), which has been recognized as a Top 10 Workplace Campaign by the United Way of Palm Beach County.



AVERAGE TENURE: 14.7 YEARS

Male: 48%
Female: 52%

- White/Caucasian: 58%
- Black/African American: 16%
- Hispanic Latino: 16%
- Asian: 7%
- Two or more races: 2%
- Other or decline: 1%

Data as of 12/31/22



*NCCI has been recognized as a Best-in-Class Employer in Gallagher's 2021 and 2022 Benefits Strategy and Benchmarking Survey.

GOVERNANCE

Effective governance is critical to NCCI's business operations and plays a central role in our corporate sustainability.

Ethics and Compliance ***Governance Management***

NCCI maintains a comprehensive corporate governance program. Its established governance structure and governance documents adhere to best practice standards and are routinely reviewed and updated.

Compliance Training Programs

NCCI's comprehensive compliance training programs enable NCCI to fulfill its commitment to ethics, integrity, and compliance at all levels of the organization.



Security and Risk **Management**

Data and Cybersecurity

NCCI maintains robust data and cybersecurity programs to ensure the integrity and confidentiality of our data and systems.

These programs include information classification and security programs to ensure proper classification of documents and appropriate encryption and access, and employee training.

Risk Management ***(SASB FN-IN-550a.3)***

NCCI's Enterprise Risk Management Committee identifies and oversees possible risks that could impact NCCI's operations.


By integrating environmental, social, and governance considerations into our business strategy and corporate responsibility program, we aim to create long-term value for our stakeholders.

Stay up to date on our activities at ncci.com/CorporateResponsibility.

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